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PRESS RELEASE

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Ex-Employee Sentenced for Defrauding Non-Profit, Got \$115,800 Through Fraudulent Credit Card, Other False Expenses

WASHINGTON - A Maryland woman, Wanda M. Johnson, was sentenced today for wrongfully obtaining about \$115,800 over a 19-month period through fraudulent credit card and other expenses she obligated her employer, the National Council on Aging ("NCOA"), a non-profit organization, to pay. The monies were in fact used for the personal benefit of Johnson or her associates, U.S. Attorney Ronald C. Machen Jr., Jeffrey W. Irvine, Special Agent in Charge, Washington Field Office, U.S. Secret Service, and Cathy L. Lanier, Chief, Metropolitan Police Department ("MPD"), announced.

Johnson, 58, of Clinton, previously pled guilty to Mail Fraud before the Honorable Henry H. Kennedy, Jr., in the U.S. District Court for the District of Columbia. Judge Kennedy sentenced Johnson today to six months of incarceration, followed by three years of supervised release, and ordered her to make full restitution of the money she stole from the non-profit organization.

According to the government's evidence, at all relevant times, NCOA was a non-profit service and advocacy organization headquartered in the District. Its stated mission was to improve the lives of older Americans. At all relevant times, Johnson was NCOA's Director of Human Resources. At the time of the termination of employment in September 2009, Johnson had worked at NCOA for approximately 12 years.

Credit Card Expenses

Johnson was the "card administrator" for NCOA's Corporate Credit Card program. She obtained and distributed corporate credit cards for business use. Part of the advice given to NCOA employees who received credit cards was that the cards were only for NCOA's business purposes.

Using her position, Johnson set up three different card numbers in her name without NCOA being aware she had done so. The statements for these credit card charges were mailed each month from American Express to NCOA in Washington, D.C.

Between March 2008 and October 2009, Johnson repeatedly submitted vouchers, with forged signature approvals or self-approvals using others as the requester, for payment of personal expenses on a corporate American Express credit card. The fraudulent vouchers were submitted by Johnson writing up memoranda and, in most cases, forging the approval signature of the NCOA President, indicating that the payments were made on the credit card as advances so that NCOA Board members could later access that card number to charge their hotels and travel costs to attend Board meetings. As the vouchers were generally for less than the \$5,000 threshold that would have required the personal signature of the Chief Financial Officer (CFO), the checks to pay on these vouchers were processed by the accounting staff using an electronic signature. The accounting staff accepted the justification memoranda as legitimate to cover these vouchers because they appeared to have been approved by the NCOA President. The accounting staff also understood that Johnson was in close contact with the members of the Board, many of whom were from other parts of the country, and therefore they saw the unusual explanation as plausible.

In May 2009, a request for payment on one of these vouchers was questioned by the CFO. Thereafter, Johnson had another credit card opened in her name and transferred the balance to the new card to make it appear that the payments were indeed establishing a deposit, or credit balance, on the account as Johnson had asserted in the memoranda were needed for the Board members' travel expenses. Nevertheless, Johnson stopped seeking payments from NCOA through these vouchers at about that time.

From May 2009 through October 2009, Johnson continued to charge personal expenses on NCOA's credit cards. She was able to accomplish this because of her position as the card administrator.

Johnson had use of these credit cards until October 23, 2009, when the non-profit's CFO called American Express to cancel them. At that time, the CFO learned that the credit cards that Johnson had set up in Johnson's name had been used inappropriately by Johnson for personal expenses. The CFO also noted that Johnson had not made the required payments on the credit cards for the recent months. Based on these unpaid expenses, on November 17, 2009, NCOA was required to pay the outstanding balance.

As a result of Johnson's wrongful use of NCOA's credit cards, NCOA suffered a loss of approximately \$62,941.90.

Payments to Alleged Consultants

Johnson also used her position at NCOA fraudulently to make arrangements to pay two alleged consultants ("person #1" and "person #2") for services they allegedly provided to NCOA for confidential Human Resources training and related activities.

On October 10, 2008, Johnson filled out and signed a Request for Taxpayer Identification Number and Certification in the name of person #1. The address for person #1 was the home address for Johnson and the "Requestor's name and address" listed were that of NCOA.

Between October 2008 and May 2009, NCOA issued approximately 13 checks to person #1 totaling approximately \$37,452 for alleged consultant services person #1 allegedly provided to NCOA.

Person #1 was not a consultant who provided any services to NCOA. Rather, she was Johnson's elderly aunt who lived with and was taken care of by Johnson.

On August 1, 2008, defendant filled out and signed a Request for Taxpayer Identification Number and Certification in the name of person #2.

Between July 2008 and January 2009, NCOA issued approximately 14 checks to person #2 totaling approximately \$15,400 for alleged consultant services person #2 allegedly provided to NCOA. These checks were each mailed from NCOA in Washington, D.C., to person #2 in Maryland.

Person #2 was not a consultant who provided any services to NCOA. Rather, she was an in-home nurse hired by Johnson to take care of Johnson's elderly parents and aunt in Maryland.

In announcing today's sentencing, U.S. Attorney Machen, U.S. Secret Service Special Agent in Charge Irvine, and MPD Chief Lanier praised the hard work of the investigators involved in this matter, especially U.S. Service Special Agent Kevin Rydalch and MPD Detective Richard Espinosa. They also acknowledged the efforts of Paralegal Specialist Mary Treanor, as well as Assistant U.S. Attorney Daniel Butler, who handled this prosecution.

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